

105TH CONGRESS
1ST SESSION

H. R. 1665

To amend the Internal Revenue Code of 1986 to increase the small issuer exemption from pro rata allocation of interest expense of financial institutions to tax-exempt interest.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 1997

Mr. HAYWORTH (for himself and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the small issuer exemption from pro rata allocation of interest expense of financial institutions to tax-exempt interest.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN SMALL ISSUER EXEMPTION FROM**
4 **PRO RATA ALLOCATION OF INTEREST EX-**
5 **PENSE OF FINANCIAL INSTITUTIONS TO TAX-**
6 **EXEMPT INTEREST.**

7 (a) IN GENERAL.—Subparagraphs (C) and (D) of
8 section 265(b)(3) of the Internal Revenue Code of 1986

1 are each amended by striking “\$10,000,000” each place
2 it appears and inserting “\$25,000,000”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall apply to bonds issued after the date
5 of the enactment of this Act.

